Asset Reconstruction Company (India) Limited

ARCIL delivers strong H1FY27 performance driven by healthy recovery momentum and increased acquisitions

Mumbai, Maharashtra, October 29, 2026:

Asset Reconstruction Company (India) Limited (NSE: ARCIL, BSE: 544921), India's first and largest private asset reconstruction by AUM, Profitability and Market Share, focused on acquiring and resolving non-performing assets (NPAs) and stressed loans from banks and financial institutions announced its unaudited financial results for the quarter and half year ended 30th September 2026. The financial numbers are based on Ind-AS.

Given the inherent nature of the Asset Reconstruction business, which involves long-tenure resolution cycles and few lumpy recoveries in corporate, ARCIL's financial performance should be evaluated over a longer-term horizon rather than on a quarter-to-quarter basis. Quarterly fluctuations may not fully reflect the underlying strength of the company and sustainable earnings trajectory of the Company. This release therefore focuses on half-yearly results; quarterly figures are available in the results filed with the stock exchanges.

Standalone Business Performance:

Particulars (INR Crore)	H1FY27	H1FY26	YoY
Total Assets Under Management	**20,274**	16,784	21%
Acquisition	**1,707.0**	1,445.0	18%
Recovery	**2,135.1**	1,765.0	21%
Total Income	**516.4**	348.0	48%
Profit After Tax	**290.0**	188.7	54%

Commentary:

- AUM grew 21% YoY to Rs. 20,274 crore as of 30th September 2026 vs Rs. 16,784 crore a year ago.
- ARCIL's investment in AUM increased 26% YoY to Rs. 4,442 crore.
- Acquisitions stood at Rs. 1,707.0 crore, an increase of 18% YoY from Rs. 1,445.0 crore.
- Recoveries for H1 FY27 increased 21% YoY to Rs. 2,135.1 crore from Rs. 1,765.0 crore, reflecting strong performance during the first half of the financial year.
- Total income grew 48% YoY to Rs. 516.4 crore from Rs. 348.0 crore, supported by strong recovery.
- PAT increased 54% YoY to Rs. 290.0 crore compared to Rs. 188.7 crore in H1 FY26. PAT margin improved to approximately 56% from 54% in the corresponding period last year.
- Net worth stood at Rs. 3,336.8 crore and borrowings were at Rs. 1,224.2 crore, taking debt-to-equity to 0.37x.
- Annualized ROE was 18.1%, as compared to 14.0% for FY 26.
- Annualized ROA was 12.6%, as compared to 10.6% for FY 26.

Management Commentary:

Commenting on the Company's Performance, Mr. Phanindranath Kakarla, Managing Director & Chief Executive Officer of the Company said,

"We have delivered a strong performance in the first half of FY27, reflecting the resilience of our business model, disciplined execution and sustained focus on profitable growth. Total income grew by 48% year-on-year to Rs. 516.4 crore, while profit after tax increased by 54% to Rs. 290.0 crore. Our PAT margin expanded to approximately 56% from 54% in the corresponding H1 FY26, underscoring the strength of our earnings profile.

A key highlight of the H1 FY27 was the significant acceleration in our asset acquisition activity. This momentum took our total acquisitions for H1 FY27 to Rs. 1,707.0 crore, an increase of 18% year-on-year. ARCIL's own investment in H1 FY27 acquisitions stood at Rs. 717.8 crore. Our assets under management grew by 21% year-on-year to Rs. 20,274 crore as of September 30, 2026, with ARCIL's investment in AUM at Rs. 4,442 crore. This performance reflects our ability to identify and capitalize on attractive acquisition opportunities while maintaining a disciplined approach to capital deployment.

Our recovery performance remained healthy, with Q2 recoveries of Rs. 1,069.0 crore, marking the second consecutive quarter of recoveries exceeding Rs. 1,000 crore. Total recoveries for H1 FY27 increased by 21% year-on-year to Rs. 2,135.1 crore. During H1, corporate recoveries stood at Rs. 1,226.5 crore, retail recoveries contributed Rs. 764.4 crore, while SME and other recoveries contributed Rs. 144.2 crore. Our cumulative Security Receipt (SR) redemption ratio remained at 52% as of September 2026, reflecting our continued focus on resolution and value realization.

Banks and financial institutions continue to recognize the important role played by Asset Reconstruction Companies in facilitating efficient resolution across corporate, retail and SME segments. The continued expansion of India's credit market, particularly in retail lending is creating a broader and more diversified opportunity landscape for the ARC industry.

As we enter the second half of the financial year, which has historically witnessed a higher share of business activity including acquisition and resolution, we are encouraged by a healthy acquisition pipeline and the opportunities ahead. Our strategic priorities remain focused on expanding our corporate portfolio, particularly in mid-sized assets with sound underlying value; strengthening our presence in retail and SME segments; scaling our CaaS (collection-as-a-service) offering for banks; and selectively evaluating opportunities in stressed microfinance portfolios. Alongside these initiatives, we will continue to strengthen our technology and data analytics capabilities to drive greater operational efficiency, improve recovery outcomes and enhance scalability.

With a strong balance sheet, a diversified business platform and a clear strategic roadmap, we believe ARCIL is well-positioned to capitalize on emerging opportunities in the stressed asset market. We remain committed to disciplined growth, sustainable profitability and creating long-term value for all our stakeholders."

About Asset Reconstruction Company (India) Limited - ARCIL

Asset Reconstruction Company (India) Limited ("ARCIL") is an asset reconstruction company operating across India, engaged in acquiring stressed assets from banks and financial institutions and implementing resolution strategies to maximize recovery and optimize the value of those assets.

ARCIL was incorporated in 2002 and received RBI registration to commence securitisation and asset reconstruction business on 29 August 2003 under the SARFAESI Act. It completed its first stressed-asset acquisition in December 2003 and has therefore operated for more than two decades. The Company operate across three business verticals - Corporate loans, SME and Other loans and Retail loans and classify the stressed assets by the resolution route it expects to use. It bids for stressed assets and deploys a mix of resolution and collection strategies, based on the nature of the underlying loan portfolio or the single credit stressed asset.

Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors

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